

FINANCE & ADMINISTRATION SUB-COMMITTEE MEETING MINUTES

Thursday, February 14, 2013 - 7:00 AM

City Hall Training Room
4200 Mills Civic Parkway

Present: Committee Chair Councilman Russ Trimble, Committee Alternate Mayor Steven K. Gaer, City Manager Greg Sparks, City Attorney Richard Scieszinski, Finance Director Tim Stiles, Human Resources Director Jane Pauba Dodge, Community and Economic Director Clyde Evans, Public Works Director Bret Hodne, Budget Analyst Chris Hamlett, and Administrative Secretary Maureen Richmond. Chris Voggesser, Scott Hatfield, and Anita Messerschmidt attended on behalf of the WDM Business Incubator (Item #1). City staff members Gary Rank, Dave Sadler, and Jason Schlickbernd also attended as a learning component of the City's Tier III Leadership Program.

Absent: Committee Member Councilman Jim Sandager, Deputy City Manager Jody Smith

Meeting was called to order at 7:00A.M.

1. Alternatives for Wright Tree Service and Human Services Building – Development Connection and WDM Business Incubator

At the sub-committee meeting of December 19, 2012, City Manager Sparks first shared information regarding potential disposition for the now City-owned Wright Tree Service building on 6th Street. Recent discussions have focused on the possibility of the City's Human Services Department relocating to this site, with the West Des Moines Business Incubator then renovating and occupying the current Human Services building.

Community and Economic Director Evans, Mr. Voggesser, Mr. Hatfield, and Ms. Messerschmidt each offered comments supportive of the Business Incubator possibly acquiring one of the two buildings, with their first preference being the Human Services facility on 5th Street. Mr. Voggesser noted that the current lease for the Business Incubator expires September 30, 2015, that their building has recently been sold, and that the new landlord is not interested in renewing the lease at a rate comparable to the current (discounted) rate. Each mentioned that the possibility of moving the Incubator to Valley Junction was seen as a benefit for small businesses.

Mr. Sparks stated the City was issued a \$280,000 insurance check from the insurer of Wright Tree Services to cover storm damage to the building. Mayor Gaer suggested that one course of action to examine would be selling the Human Services building to the Business Incubator versus serving as a landlord.

Mayor Gaer asked about timing of the analysis and Mr. Sparks stated he hoped to complete an analysis and report back to the committee in two months.

Mayor Gaer and Councilmember Trimble supported a staff analysis of several courses of action, including but limited to, the feasibility of relocating WDM Human Services to the former Wright Tree Services building and relocating the WDM Business Incubator to the Human Services facility, with the expectation that recommendations and discussion will come back to the Finance and Administration Sub-Committee for further discussion.

2. Organizational Changes in Public Works Department

Public Works Director Bret Hodne presented what he perceived to be a minor reorganization plan for the Public Works Department. Director Hodne explained that as part of the budget process in F Y 2010-11, Public Works did not fill two vacant Operation Specialist positions. Recently, Public Works Operations Supervisor Bob Dingman retired and in lieu of replacing that position (at over \$85,000 annual salary), Director Hodne is proposing to instead hire two Operations Specialists at entry-level salaries between \$38,691 and \$45,469.

Under the plan, a majority of the duties of the former Operations Supervisor will be assigned to Facilities Manager Gary Rank, with a compensation increase due to added responsibilities. After adjustment, his compensation will be at a level similar to the other Operations Supervisors. Mr. Dingman's remaining duties would be redistributed to the other Operations Supervisors with no adjustment in compensation.

Director Hodne stated that these adjustments will allow the department to function more effectively and efficiently. He proposed filling the two vacant options incrementally - one in May 2013 and the second in November 2013.

Councilmember Trimble asked about any effects on the FY 13-14 budget and Budget Analyst Chris Hamlett stated that because Mr. Dingman's salary was included in the budget, any increase would only become evident if both new Operations Specialists elected family medical coverage.

Mayor Gaer and Councilmember Trimble supported the reorganization plan.

3. West Des Moines Sister Cities Commission Ordinance

Mr. Sparks presented a West Des Moines Sister Cities Commissions Ordinance for the sub-committee's review. This item was first discussed at the December 19, 2012, Finance Sub-committee with Sister Cities Representative Matt Rosen in attendance. At that time Mr. Rosen had requested that West Des Moines consider its own Commission in lieu of continuing as part of the Des Moines-led program. On December 26, 2012, the Council approved action to withdraw from the Metropolitan Des Moines Sister Cities Commission effective June 30, 2013.

Mayor Gaer and Councilmember Trimble supported the recommendation and requested the ordinance be placed on the next Council agenda for full Council consideration.

4. Fox Lawson Update

Director Dodge provided an update to the Fox Lawson wage study. She noted that jobs in the Information Technology Department will be reviewed for the pay plan. The Public Safety pay plan has been implemented into the payroll system and Ms. Pauba Dodge gave Payroll Specialist Kathy Fraise a thank you. There is a study being conducted for Building Inspection.

Ms. Dodge will be meeting with Mr. Sparks and Mr. Smith to discuss the remaining items. The data should be completed by the next Finance and Administration meeting.

No action was required by the committee.

5. Results of FY 2012 Audit – Referred from City Council

At its meeting of February 4, 2013, the City Council meeting received Consolidated Annual Financial Report (CAFR) prepared by staff and audited by Eide Bailly, LLP. At that time the Council referred follow-up discussion and action to the Finance & Administration Subcommittee.

Director Stiles focused on results of the audit, discussing each of Eide Bailly's three findings:

- 1) Eide Bailly had noted that per state code, minutes of City Council proceedings should be published within 15 days of the meeting. Mr. Stiles explained the City does not publish minutes before Council approval. The City's practice is to publish Council meeting minutes immediately after approval by Council at the subsequent meeting, generally two weeks following. No corrective action was necessary or planned.
- 2) Published Notice for one of the 2012 City General Obligation Bond sales was not published within the legal time parameters. The bond sale was to be advertised sometime between four and twenty days, but was instead published approximately 24 days prior to sale. This was simply an oversight of staff as well as bond counsel. Staff will take steps to ensure compliance with future issuances and no additional action is necessary or planned.
- 3) There were several adjustments to the general ledger suggested by Eide Bailly. Each was posted by staff and incorporated into the financial statements, but in total they were significant enough to suggest that changes should be made in processes and training of accounting / finance staff. Staff has responded by suggesting that individuals have been hired with added qualifications, that training is being pursued, and that longer-term solutions to shortfalls of the accounting system are being pursued. This response was accepted by Eide Bailly.

One of the major items noted was untimely payment to Aviva USA and Wells Fargo for property tax rebates related to development agreements. Mayor Gaer also suggested that staff reach out to the new ownership group of Aviva USA and City Manager Sparks indicated that he would pursue a meeting.

Mayor Gaer and Councilmember Trimble acknowledged the Audit Report and concurred with the recommended corrective actions.

6. FY 2012-13 Budget Amendment #3

Budget Analyst Chris Hamlett presented Budget Amendment #3. Mr. Hamlett gave a summary which consists of expenditure and revenue adjustments and updates circumstances since Budget Amendment #2. Major items include an increase to police personnel cost as a result of two police officer positions approved by Council in December, and early retirement of sanitary sewer debt which will result in future savings in interest expense.

Council agreed with the recommendation and so Budget Amendment #3 will be published and placed on the March 4, 2013, Council agenda for full Council consideration and approval.

7. Staff Updates

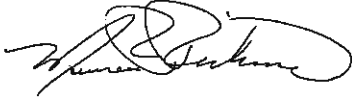
Director Stiles noted that the Finance and Administration agendas are now being posted to the e-Notification calendar on the City's website. Interested parties can select to receive the agenda for this committee, along with that of several of the City's other boards and committees.

8. Other Matters

None

Meeting was adjourned at 7:50 AM.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Maureen Richmond", written over a horizontal line.

Maureen Richmond
Administrative Secretary, Finance Department